



Committed to the future of rural communities.

RURAL BUSINESS-COOPERATIVE PROGRAMS

RURAL ENERGY FOR AMERICA PROGRAM (REAP)

Rural Development makes loan guarantees, and grants to farmers and ranchers (agricultural producers) or rural small businesses to purchase renewable energy systems and make energy efficiency improvements. The 2008 Farm Bill established the Rural Energy for America Program under Title IX, Section 9007. This program will help farmers, ranchers, and rural small businesses to reduce energy costs and consumption.

Applicant Eligibility

Pursuant to the Farm Bill, eligible applicants include agricultural producers and rural small businesses. To be eligible for grants, applicants must demonstrate financial need. Key program definitions are:

- Rural - Any area other than a city or town that has a population of greater than 50,000 inhabitants and the urbanized area contiguous and adjacent to such a city or town according to the latest decennial census of the United States.
- Agricultural producer - An individual or entity directly engaged in the production of agricultural products, including crops (including farming); livestock (including ranching); forestry products; hydroponics; nursery stock; or aquaculture, whereby 50 percent or greater of their gross income is derived from the operations.
- Small business - A private entity including a sole proprietorship, partnership, corporation, and a cooperative (including a cooperative qualified under section 501(c)(12) of the Internal Revenue Code), and an electric utility.
- Excludes any private entity formed solely for a charitable purpose;
- Must be considered a small business in accordance with the Small Business Administration's (SBA)

Small Business Size Standards by North American Industry Classification System (NAICS) Industry found in 13 CFR part 121;

- Demonstrated financial need - the applicant must demonstrate that it is unable to finance the project from its own resources or other funding sources without grant assistance.

Other provisions of applicant eligibility for program are:

- Individuals must be citizens of the United States (U.S.) or reside in the U.S. after being legally admitted for permanent residence.
- Entities must be at least 51 percent owned, directly or indirectly, by individuals who are either citizens of the U.S. or reside in the U.S. after being legally admitted for permanent residence.
- If the applicant or an owner has an outstanding judgment obtained by the United States in a Federal Court (other than in the United States Tax Court), is delinquent in the payment of Federal income taxes, or is delinquent on a Federal debt, the applicant is not eligible to receive a grant until the judgment is paid in full or otherwise satisfied or the delinquency is resolved.

Purposes

Projects must be for the purchase of a renewable energy system or to make energy efficiency improvements.

- Renewable energy systems provide energy derived from wind, solar, biomass, biogas, ocean, hydro, or geothermal source or hydrogen derived from biomass or water using wind, solar, or geothermal energy sources.
- Energy efficiency improvements typically involve installing or upgrading equipment that results in a significant reduction in energy use from current operations. Energy efficiency improvements to the business include HVAC systems, insulation, refrigeration, lighting, irrigation systems, pumping systems, air systems, motor systems, etc.
- Note: Funds may not be used for agricultural tillage equipment, vehicles, or residential improvements.

Further requirements are:

- The project must be located in a rural area.
- The project must be for a pre-commercial or commercially available and replicable technology.
- The project must be technically feasible.
- The applicant must be the owner of the system and control the operation and maintenance of the proposed project. A qualified third-party operator may be used to manage the operation and/or maintenance of the proposed project.
- All projects must be based on satisfactory sources of revenues in an amount sufficient to provide for the operation and maintenance of the system or project.
- Projects exceeding \$200,000 for a renewable energy system project must include a project-specific feasibility study prepared by a qualified independent consultant.
- All energy efficiency improvement projects require an energy audit or assessment.

Amounts

- Grants up to 25 percent of project costs.
- Grant minimum-\$2,500 for renewable/\$1,500 for energy efficiency
- Grant maximum-\$250,000 (Energy Improvement)/\$500,000 (Renewable Energy)
- Guaranteed Loans - minimum \$5,000
- Guaranteed Loans - maximum \$25 million

How Do I Apply?

Contact your local Rural Development Business Specialist to discuss the application process and application deadlines.

For More Information

For more information contact Rural Development at:

USDA Rural Development
1909 Vicki Lane, Ste 103
Norfolk, NE 68701
Phone: (402) 371-5350 ext. 4

USDA Rural Development
8000 South 15th St., Ste E
Lincoln, NE 68512-9436
Phone: (402) 423-9683 ext. 4

USDA Rural Development
731 E. 4th
Ainsworth, NE 69210
Phone: (402) 387-2242 ext. 4

USDA Rural Development
4009 6th Avenue, Ste 1
Kearney, NE 68845-2386
Phone: (308) 237-3118 ext. 4

USDA Rural Development
1202 S. Cottonwood, Ste 3
North Platte, NE 69101
Phone: (308) 534-2360 ext. 4

USDA Rural Development
818 Ferdinand Plaza, Ste B
Scottsbluff, NE 69361-4401
Phone: (308) 632-2195 ext. 4

USDA Rural Development
Federal Building, Room 152
100 Centennial Mall North
Lincoln, NE 68508-3888
Phone: (402) 437-5554

National Office Web site:

<http://www.rurdev.usda.gov/rbs/farmbill/index.html>

Rural Development Toll Free: (800) 670-6553

Nebraska Rural Development Web site: <http://www.rurdev.usda.gov/ne>

Nebraska State Office Telephone Number: (402) 437-5551

Nebraska State Office Facsimile Number: (402) 437-5408

Nebraska State Office TDD Number: (402) 437-5093

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U.S. Department of Agriculture

Rural Development - Rural Business-Cooperative Programs

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“Investing in Rural Nebraska Communities...One Relationship at a Time”